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26 March 1965

MEMORANDUM FOR THE RECORD

SUBJECT: DCI Briefing of CIA Subcommittees of Senate Armed
Services and Senate Appropriations - 25 March 1965

1. The Director appeared before the CIA Subcommittees of
Senate Armed Services and Senate Appropriations. Present from the
Subcommittees were:

Senator John Stennis
Senator Leverett Saltonstall
Senator Milton Young

Present from the staffs of the two Subcommittees:

William Darden
William Woodruff
Francis Hewitt

Accompanying the Director were:

Ray S. Cline
Richard Helms

John S. Warner

Deputy Director for Intelligence
Deputy Director for Plans
Deputy Director, NPIC
Legislative Counsel

Prior to the hearing a technical sweep was made. There was no
transcript or tape recording. The meeting started at two o'clock and
ran for approximately two and one-half hours.

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2. [] exhibited a number of pictures and these were discussed. See attached memorandum for a listing of pictures and comments. The Director stated that efforts were being made to improve both the search and spotting systems. He indicated that it was desirous of reaching a resolution on the search system equivalent to the current spotting system. On the spotting system it was hoped to achieve resolution equal to the U-2 photography. He stated there was money in the budget for research and development on both systems. He stated there was some difference in opinion as to which developments were more important. He stated that CIA was inclined to believe the improved search system was more important whereas DOD was inclined to the view that an improved high resolution system was more important. However, research and development are going forward on both.

SOUTH VIETNAM

3. The Director discussed the South Vietnamese situation indicating it was a bloody war with 7,500 South Vietnamese battle deaths and 17,000 Viet Cong deaths last year by actual body count. The Director stated that as in the previous briefings of these Subcommittees, there were more reasons to be pessimistic than optimistic but that the situation was not hopeless. Since the last briefing the Director touched on Kosygin's visit indicating that probably there was an agreement by the Soviets to offer some equipment for defense purposes but that none has been delivered yet. The Director referred to some movement of aircraft in Russia to Irkutsk. Possibly the arms had been put on rail transportation there. It was indicated that no SA-2 missiles are in North Vietnam.

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5. In early February, Viet Cong activities were at a very active phase. In the last week to ten days, however, these activities have been at a low level. There are some who feel that possibly there is a tamping down of the Viet Cong activities because of the air raids but that the Agency is not inclined to accept this view. It was pointed out that Viet Cong activity is cyclical and this is most likely just the low point of the cycle. On the other hand, there has been noted a high level of communication activity which is usually a forerunner to stepped-up action. He stated this was in code and we were not able to read the messages. The reaction to the bombings has been as expected. There has been a high level of noise and propaganda from Hanoi, Peking, and Moscow designed to regiment world opinion. However, this effort is not at as high level as expected nor has it been as effective. There have been no overt movements of ground troops in North Vietnam or China. It was pointed out that about 50 to 55 MIGS had been observed in North Vietnam since last fall, but 18 or 19 of them turned out to be dummy aircraft on airfields. It was stated no more aircraft have been moved in and those there have scrambled on occasion but have not engaged the aircraft on bombing missions. The Director stated that it is possible that the ChiComs could react violently and possibly put volunteers into North Vietnam. However, it is believed more probable that as the determination of the U. S. Government became more evident there would be a willingness to negotiate and await a better time to resume their subversive actions. He cautioned, however, that the U. S. Government should be prepared for the worst case.

6. The Director pointed out that a team had been sent over to review the assessment of Viet Cong strength. New procedures have been developed and now MACV agrees that both the units and numbers of men are greater and also agrees with the strength figures as indicated. Mr. McCone stated he was encouraged by Quat's performance but it remains

to be seen whether he will or will not succeed. It was also pointed out that the bombing missions have given some stability to the government with the military giving its support and there has been a damping down of the jealousies in the military. It was also pointed out that the morale of the troops in the field has improved considerably as a direct result of the bombings. The Buddhists expressed approval of the bombings. The King of Laos thoroughly approved of the U. S. program commenting on the loss of face to the North Vietnamese. In North Vietnam itself there has been little effect on the morale of the people. It was stressed that the bombings could stop the North Vietnamese if they succeed but the problem of South Vietnam would not thereby be solved. However, the operations are now directed from Hanoi and supplies and men are being furnished. If this flow were stopped, the indigenous forces could probably take care of the situation.

7. In response to a query from Senator Saltonstall, it was stated that two large junks have been sunk and there is some disappointment at the patrol by the South Vietnamese naval forces since it is not complete. However, it was pointed out that there were thousands of junks which move up and down the coast. The larger ships will go out to sea for several hundred miles and then go south and go back into the coast, thus avoiding the patrol boats. Senator Saltonstall raised the question of the improvement in the situation under General Westmoreland as compared with General Harkins. It was pointed out there was a rapid growth of the military effort under General Harkins and the intelligence came to MACV through South Vietnamese channels. The Director pointed out that when he and McNamara were out there they grew suspicious of the information being received and caused U-2 missions to be flown. The photography demonstrated that much of the information was faulty. This situation has now been corrected. In response to a question, it was indicated that the situation in Laos and Cambodia remains about the same. The Communists remain in control of the areas where there are supply routes from North Vietnam to South Vietnam. It was indicated that they recognize that taking over in the Mekong area would invite a reaction. Cambodia still provides a sanctuary for the Viet Cong. It was stated that Sihanouk is in reasonable control.

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MIDDLE EAST

9. Mr. Cline briefed on the Middle East generally following the attached briefing paper. He touched on the Arab/Israeli dispute, the water diversion issue, and the United Arab Command. Mr. Cline discussed the impact of the \$2 billion worth of Soviet military equipment which has been furnished to the Arabs. It was pointed out that the Yemen situation with 50,000 Egyptian troops is a divisive issue between the Arabs with the Saudi Arabians supporting the Israelist element in Yemen. He discussed preparations to ship SA-2 missiles to Cyprus from Egypt. In fact this flow had been stopped by U. S. pressure on the Greeks. Mr. Cline stressed the danger of the Cyprus issue to the NATO structure. He pointed out that Moscow is increasing its tempo of political action in the Middle East. A review of the numbers of KGB personnel in embassies is startling. They are making strong efforts to increase their influence in

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CONGO

10. Mr. Helms briefed on Agency activities in the Congo using a map to show areas where the rebels are active. He stressed that the areas marked were not in the normal sense occupied by the rebels. He discussed the various flows of arms from Algeria and Egypt and Uganda and Dar es Salaam. He pointed out that the Congo army moved in March to seal off supplies from Arua. The Agency was directed to assist them in their work. This direction by higher authority was for air support without the U. S. Government hand showing. The air support was to assist the Congolese army and other interdiction missions. The Agency [redacted] procured T-6s, T-28s, and B-26Ks as well as non-American pilots who are under direct contract to the Congolese government.

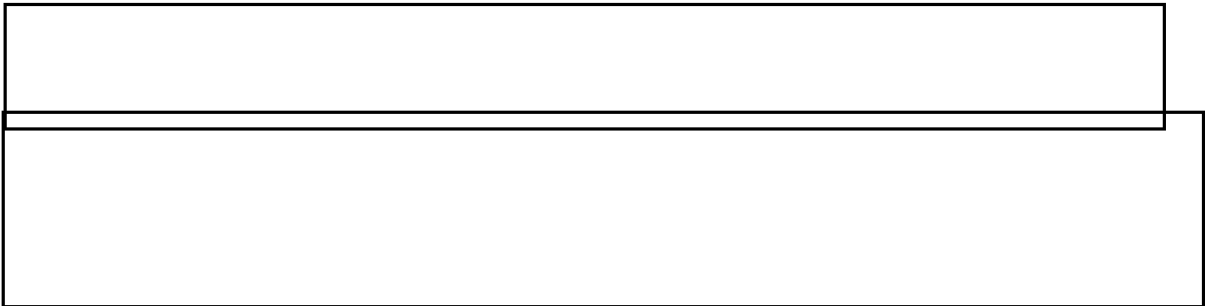
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11. The efforts to build up the Congo naval effort to combat the flow of supplies across Lake Albert and Lake Tanganyika were discussed. It was pointed out that introduction by the opposition of jet aircraft would change the entire picture. It was pointed out that new and sophisticated Soviet weapons have been found in the Congo. Some rifles bearing the manufacture date of 1964 have been found. It was pointed out that a military officer of 2-Star rank assigned to the Agency had stated that a new recoilless rifle found in the area was better than anything the U. S. Army has. In response to a query it was stated that ultimately the Soviets are paying for these arms through replenishing of the stocks in Algeria and Egypt. Mr. Helms commented on the company which was organized to provide maintenance for this aircraft. He stated there were some 130 Europeans of 13 nationalities in this maintenance company. It was stated that two T-28s had been lost with one pilot still missing and one pilot walking out. One B-26 has been lost, and the pilot's mutilated body was found. It was stated that there is no other U. S. military effort in the area although other agencies such as AID and USIA are in the area. It was stressed that efforts were being made to have the Europeans shoulder their share of the burden in this area.

LATIN AMERICA

12. Mr. Helms briefed on certain situations in Latin America. He pointed out that under the umbrella of the nuclear stalemate between the east and the west, the Communist world was attempting to take over by subversion what they cannot obtain by military means. He stated there is a substantial subversive effort by the Soviets, the ChiComs, and Cubans in Brazil. He stressed the importance of Brazil as a country due in part by its very size.

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PANAMA

15. Mr. Helms discussed the Panama situation mentioning the various acute problems there. He pointed out how the Communists were able to make common cause with the majority of the Panamanians on the issue of the canal, Panama sovereignty, etc. A careful analysis was made of the problem which indicated there would be serious difficulties in December or January on the anniversary of the riots of a year ago. On the basis of this analysis, the policymakers determined that an effort must be made to head off this eruption. President Johnson's speech discussing a new canal had an electrifying effect in Panama, depriving the Communist Party of their basic issues and in effect getting the average Panamanian off the band wagon. It was pointed out that the other countries in fact are not interested in a canal. Mr. McCone interjected pointing out that careful intelligence analysis and review by the policymakers had made it clear that unless something were done there would have been absolute chaos in Panama in December and January. By indicating possible sites in other countries, the U. S. was in fact in a better position to negotiate on a reasonable basis with the Panamanians.

16. Mr. McCone stated that the type of political action which the Agency undertakes for the U. S. Government is approved at the highest level and fully coordinated with Defense, State, the Ambassador concerned, and only with the approval of the President. The Director stated he wished to put the minds of the members at rest that we do not unilaterally undertake these political actions. The Director stated that a proposal for such action could start with CIA or State with the Ambassador being consulted. A plan would then be made and reviewed by him for referral to the Special Group. It consisted of the Deputy Secretary of Defense, Deputy Secretary of State for Political Affairs, a representative of the President, McGeorge Bundy, and Mr. McCone. It would be discussed thoroughly there and then forwarded to the President.

CUBA

17. Mr. Helms stated that the situation in Cuba has remained about the same for the last year. It was indicated that Castro's popularity is dwindling with only about 20 to 25 per cent of the people solidly for him. However, he is still in full control of the country. It was indicated that the economy was continuing downhill. It was pointed out that at the end of 1963 Cuba had a windfall in foreign exchange by virtue of a good sugar crop and a high world price which made available about \$100,000,000 for foreign purchases. However, in 1964 the sugar price dropped and with the effects of the U. S. denial program, Cuba is left with a small amount of foreign exchange. It was stated that repressive measures continue and that there remains a tight Communist-type security system in force. Consequently, any change of government would probably have to originate from the military.

18. The training of revolutionaries for deployment into Latin America continues although the Cubans are less lavish with their money. It was indicated that the Soviets continue to assist Cuba at the rate of \$1,000,000 per day. In response to a question from Senator Saltonstall, it was stated there has been no Soviet military build up and there remain only from 2,000 to 3,000 technicians and a MAAG-type situation and there are no combat units.

19. Mr. McCone stated that he would like to emphasize what Mr. Helms had said previously. He stated that with the nuclear stalemate and under the facade of coexistence the Communist world is making a determined effort to impose its will on other countries through subversion, political action, guerrilla tactics, covert upsetting of governments throughout Latin America, Southeast Asia and the Middle East. The Director stated that for the next ten to twenty years this is the problem we must face and the developed nations of the world must find means to oppose this effort. In response to a statement by Senator Saltonstall that the means is not the UN, the Director added "and not a 10-megaton weapon." Senator Stennis inquired if the Director would write this thought down and make it available. He thought it was an excellent statement and he would like to have it. It was, of course, agreed that this would be done.

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Atts. w/briefing of same date
of CIA Sub of House Armed Services

JOHN S. WARNER
Legislative Counsel

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